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POTATO INSPECTION

FEBRUARY/1963

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Cover Page

George Crisp—one of the Federal-State Inspection Service's 4,000 fresh fruit and vegetable inspectors—grades potatoes at the Atlanta, Ga., terminal market. He is checking the size of the potatoes, and will also look for disease, decay, and other defects. Then he will issue an official inspection certificate on their overall quality.

This inspection service, supervised throughout the Nation by USDA's Agricultural Marketing Service, is a vital link in our complex marketing system. It permits long-distance trading without personal inspection of the products. Instead, shippers, receivers, and processors can depend on official inspection, based on published U. S. Standards, to get the quality they need. Federal inspection offices are maintained in 80 of the larger citizes throughout the Nation, and 49 States cooperate with AMS in furnishing inspection services at shipping points.

Editor, MILTON HOFFMAN

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Clipping Poult Wings

By DR. R. D. WENGER

ALTHOUGH dubbing, cropping, notching or pinioning the wings of turkey poults to prevent flying has become a common practice among growers in recent years, enough information has now been gathered by Federal inspectors in processing plants to indicate that it may be rather costly to growers.

This practice may have some merit in helping to control the flock on the range, or to prevent bashing in pens, but it may result in the loss of several hundred dollars to the grower when the birds are sold for processing. This is because cropping leads to downgrading at the processing plant, and these losses are usually borne by the producer, not the processor.

Since Federal inspection of poultry processing became mandatory four years ago, U. S. Department of Agriculture inspectors have been able to observe this situation more closely. They agree that wing-cropping of poults is hurting many growers financially, although the growers may not realize it.

The inspectors, who are employed by the Poultry Division of USDA's Agricultural Marketing Service, explain that the basic trouble is that many of the wings never completely heal after cropping. As a result, there develops a chronic inflammatory lesion on the wing stub. Often these lesions become infected with various staphylococcus bacteria. Some of these bacteria can produce food poisoning in humans when consumed in foods.

Also, it has been repeatedly noted, birds which have had one wing cropped do not have proper balance control. When they jump down from roosts they may get severely bruised. In addition, wing-cropping may be a contributing cause of breast blisters.

As growers are aware, carcasses or parts of carcasses which have inflammatory lesions or severe bruises are not considered wholesome or fit for human food. However, when only a part of a carcass is affected, it may be possible to remove such inflamed areas or bruises so as to make the rest of the carcass wholesome and fit for food.

But should the processor decline to carry out such a salvage operation, the inspector then has no other recourse except to condemn the entire carcass.

Trimming to remove lesions, bruises or blisters, unfortunately will probably result in lowering the grade of the carcass. So if a carcass is of grade A quality in all other aspects, but the wing is trimmed off to the second joint, the carcass will then become grade B. And if the entire wing is removed, the carcass will become grade C.

The rules for grading are provided in the regulations governing the inspection and grading as promulgated under the Agricultural Marketing Act of 1946.

Many processors who have discussed this matter with Federal inspectors revealed that turkey flocks which have had to undergo such trimming in their plants frequently suffer a 10 to 15 percent downgrading. This would be a significant loss of income to the growers.

This loss of income will usually be borne by the grower, since processors normally buy turkeys on an inspected and graded basis.

The observations of our inspectors around the country indicate that these wing-clipped flocks will become increasingly difficult for the producer to sell to a processor at all. The processor does not want to have his line stopped while parts of some birds are trimmed to meet the Federal requirements for wholesomeness. These delays cost him money in lost efficiency and volume per hour.

We realize that some growers, knowing the disadvantages of wing cropping, may still wish to continue to crop a wing of each bird in their flocks, because of special pressing reasons. If so, we would like to caution them to be sure to follow up each treated bird with proper aftercare and treatment, in order to assure adequate control of infection and complete healing of the wing stub. This will help to minimize the amount of downgrading that will result from this practice.

However, they should realize that even this extra care will not prevent the bruising nor the development of breast blisters that is bound to occur in such birds.

(*The author is Assistant Chief, Inspection Branch, Poultry Division, AMS.*)

Federal-State Cooperation in Action

The 1962 Annual Marketing

By George H. Goldsborough

THE men who attended this meeting came to work, and work they did—during three days of earnest discussion of the problems facing agricultural marketing in this modern world.

Among the 250 workshoppers in Louisville, Ky., Nov. 27-29, were representatives of State Departments of Agriculture, marketing specialists from 38 States and Puerto Rico, industry representatives recognized as expert in the marketing of various agricultural commodities, and representatives of the U. S. Department of Agriculture.

The meeting was the 1962 annual National Marketing Service Workshop, sponsored jointly by State departments of agriculture and USDA's Agricultural Marketing Service.

More than 70 speakers spoke before the entire group or to individual commodity work groups during the three-day meeting. Their talks were centered around three major fields—"Export Market Problems and Opportunities," "Organization for Selling in Today's Mass Merchandising Environment," and "Promotional Programs for Farm Products."

Opening the session with a discussion of export marketing of agricultural products was Clifford R. Hope, president of Great Plains Wheat, Inc., and former Congressman and chairman of the House Agriculture Committee.

"Volume and value of our agricultural exports has been steadily increasing," Mr. Hope told the group. "For marketing year 1962, they exceeded five billion dollars. This figure broke all records and constituted a fourth of our total exports for the period."

He gave three reasons for continuing to expand agricultural exports—our adverse balance of payments situation, expansion of U. S. production, use of exports to prevent the spread of communism—and then gave the audience two ways in which we can, and are, expanding foreign markets.

"One is greater freedom of international trade. Nations must have access to each other's markets if trade is to flourish. Real progress in this field has been made in recent years. The Common Market, in spite of its anachronistic position on competitive agricultural imports, is reducing other trade barriers in a wholesale way. The enactment of the new Trade Act has put this country in a position to exert greater leadership in this field. So we are making progress —more progress, I think, than is generally realized.

"The other main line of activity which I have in mind is marketing development, and here there is much to be optimistic about also. Every time a trade barrier goes down, the way is opened for more market development activity. It seems to me there is an increasingly important place for the State departments of agriculture in such a program."

While the first day was devoted entirely to exports, the second day's sessions were concerned with the changing structure af agricultural marketing in this country.

Floyd F. Hedlund, director of the AMS Fruit and Vegetable Division, summed up the thinking of the second day by describing the concentration and integration in both the buying and selling of agricultural products.

"Large food retailing organizations—whether corporate chains, voluntary groups affiliated with wholesalers, or retailers who cooperatively own or operate wholesale warehouses—are estimated to have handled 85 to 90 percent of all grocery sales in 1961. Nonaffiliated, independent retailers handled only about one-half the volume they did 10 years earlier."

Dr. Hedlund emphasized that concentration is not limited only to buyers. "Farming too," he said, "is getting to be large business. According to the U. S. Census of Agriculture, the number of farms has been declining rather steadily for the last 30 years or more, while the average farm operation has grown larger. But even with the limited concentration that has taken place in agriculture, farmers are still at a disadvantage."

But how do producers effectively meet concentration in the buying of agricultural products?

"Organization for selling strength seems to me to be the best answer," Dr. Hedlund said. "The form this organization takes must be tailored to the needs and institutions existing in each industry and situation.

"There are certain fundamentals to keep in mind if results are to be successful: (1) The organization—whether it be a private firm, coordinated sales agency, or cooperative—must be big enough to command respect, to have enough product under its control to fill

Workshop

large orders of uniform quality. (2) It must have skilled, professional management to deal with skilled, professional buyers. (3) It must be well-informed on everything from current market prices to common market developments, and it must keep members or affiliates well-informed so that it will sell *product,* not just offer a lower price."

Measuring the results of agricultural product promotion was the theme of a speech the third day by J. F. Bennett, chief of the Division of Agricultural Economics of the California Department of Agriculture.

Serious effort should be made to measure the value of a promotion program, Dr. Bennett told the group, since both money and time are expended—and may be lost if the program is ineffective.

"Good advertising can help sales," he told the group; "poor advertising can detract from the selling effort. However, great emphasis should be placed on the fact that advertising is only a part of the selling job.

"Agricultural commodity advertising programs, if properly conducted, should pay special emphasis to measurement of results, and this means in the beginning, to pay special emphasis to goals.

"The overall basic goal, of course, is to do everything possible to create a more favorable climate in which sales can be made.

"It is quite difficult and expensive to obtain precise quantitative measures of promotion results, though some good research in this area is being conducted by U.S.D.A. and other groups. However, State specialists should strive for greater precision to obtain good qualitative indications through mail or phone surveys of consumers and discussions with key people in the food trade."

(*This is the first of a series of articles on the National Marketing Service Workshop by Mr. Goldsborough, who is director of the AMS Matching Fund Program. Future issues of* AGRICULTURAL MARKETING *will cover in more detail the important details from the many speeches and the results of the meeting.*)

Discussing the National Marketing Service Workshop in Louisville, Ky. are: (left to right) S. R. Smith, AMS Administrator; C. Harold Bray, director of the Division of Markets, Kentucky Department of Agriculture; and George H. Goldsborough, director, AMS Matching Fund Program.

Pecan Shelling And Processing

By JULES V. POWELL

When pecan shelling was a small, largely hand-labor, sideline enterprise—back in the 1930's—the bulk of the U.S. pecan crop was sold in-shell. Most of the pecans were consumed in the South, but considerable quantities were shipped to Northern markets during the holiday season. These pecans were processed by grading, bleaching, polishing, and sometimes dyeing the shells.

Since then, however, pecan production has increased greatly, and more pecans have entered commercial channels. The increased use of pecans by food manufacturers and consumers has resulted in an increasing demand for shelled pecans and an increase in the number of firms which shell the nuts and sell graded and sized pecan kernels in bulk and retail packages.

In the spring of 1961 USDA's researchers conducted a survey of pecan shellers and processors throughout the country. Here are some of their findings:

In 1960, there were approximately 80 pecan shelling firms in the U.S., and they handled most of the pecans produced. For example, the total crop was 187.5 million pounds in 1960. Pecan shellers and processors together handled 164 million pounds, but less than a tenth of these were sold in-shell by processors.

The pecan shelling industry is still a small one, compared to some other agricultural industries, but it is vitally important to farmers throughout the South. It is their major outlet for the pecans they produce to supplement their other farm income. It also employs many people. In 1960-61, for instance, the industry employed over 1,200 persons on an annual basis, and hired an additional 3,100 on a part-time basis during the busy harvesting and marketing season. Fortunately, this seasonal employment comes in the fall and winter, when other agricultural employment is low.

Pecan shellers and processors believe they could efficiently sell more pecans than are now produced in the Nation. Data collected in 1960-61 indicate that many more pecans could be shelled. During that season the pecan shelling industry operated at only about 35 percent capacity. This low level of performance is due partly to the small, part-time firms who operated only during the holiday season. They operated at only 10 percent of capacity, while the large shelling plants operated at 60 percent.

Firms within the industry vary so in size that it is difficult to group them. For example, of the 74 firms which gave the information, 18 sold less than 500,000 pounds of pecans, while 8 firms sold over 5 million pounds each. The 8 firms accounted for 48 percent of industry sales of shelled pecans.

Regardless of size, however, all of the firms have a few common problems. A leading problem is procurement of adequate supplies of in-shell pecans each year. Pecans are produced throughout 11 or more Southern States, but due to the every-other-year production pattern, or habit, of pecan trees, not all production areas have a crop of pecans each year.

Thus, the larger pecan-shelling firms have been forced to set up farflung buying organizations to purchase their year's supply of nuts during the short harvest season in the fall.

Because a large portion of the total pecan crop is produced on wild trees, forecasting the size of the crop is difficult. Thus, because the size of the crop is unknown, and there is sharp competition among buyers to obtain an adequate supply for their operations, the prices for in-shell pecans are often forced up to unrealistic levels in view of the total supply of nuts actually available.

High prices for in-shell pecans increase the kernel cost to the sheller. For example, a one cent increase in the cost of in-shell pecans increases the cost of pecan kernels about 3 cents. His kernel costs are also affected by the quality of the pecans he buys. For instance, if the sheller pays 30 cents a pound for in-shell pecans, his kernel cost is 85.7 cents a pound if the nuts yield 35 percent kernels, but only 75 cents a pound if 40 percent is obtained.

Thus, pecan shellers operate under a great deal of uncertainty concerning the amount and average quality of pecans to be marketed each year. And the individual sheller faces an uncertain and highly competitive market for the pecan kernels he has to sell. However, on the average, about 38 percent of the shelled pecans is used by bakeries, 20 percent by confectioners, and 20 percent by the wholesale and retail grocery trade. The remainder is used by ice cream manufacturers, nut mixers and salters, repackers, and others.

Crew Organization Saves Dollars

By ROBERT K. BOGARDUS

One of the most important hurdles confronting handlers of fresh fruits and vegetables is the high cost of not having a well-organized crew to take care of daily handling operations.

Transportation and facilities research workers of the USDA's Agricultural Marketing Service have observed many examples in the course of their marketing research work.

Manpower, balanced with equipment, is needed because the productive work performed by one crew member depends on the work done by other members of the crew. If too few workers are assigned a part of a certain operation, valuable time is lost through waiting at another part of the job, so costs for the entire operation—and ultimately for the consumer—are thus needlessly raised.

Crew balance is achieved by carefully assigning only those workers and units of equipment that are required for every job to be done. This action keeps total man-hours down to a minimum for the job.

For a successful operation, the proper selection and training of personnel is fundamental to the setting up of high levels of productivity. Because most of the handling work associated with the movement of fruits and vegetables through a warehouse is heavy, a worker's physical condition is an important factor, as package weights run anywhere from 10 to 100 pounds. And most employees must handle at least some of the packages of each weight. New employees not acquainted with the physical handling involved in warehouses should not only be shown how to lift packages with maximum safety for themselves, but to use ample care for the commodities being handled.

Another "must" in the training of employees is familiarizing each man with the varieties of each commodity handled by the wholesaler. This is imperative if the customer is to be assured of receiving exactly what he ordered.

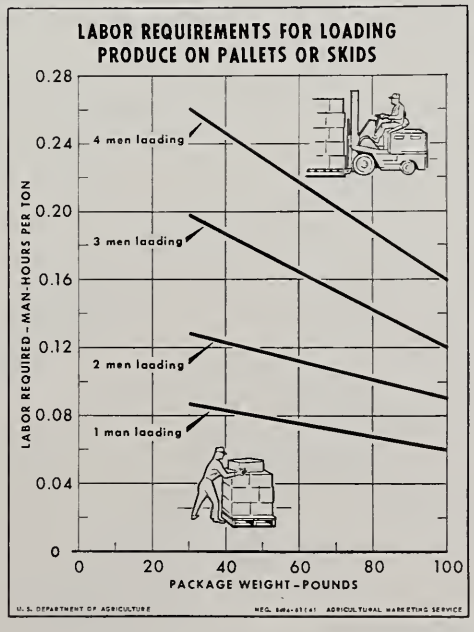
When belt conveyor systems are used for truck loading, careful recognition should be given to the fact that the checker is the key to the productivity of the operation. Activities that have the greatest effect on productivity are the assignment of work to the belt loaders and scanning the invoices to determine what items, and how many, are to be assigned to each belt loader. If the checker is slow in making his work assignments, idle time and crew interference are immediately increased, and the cost of the operation rises accordingly.

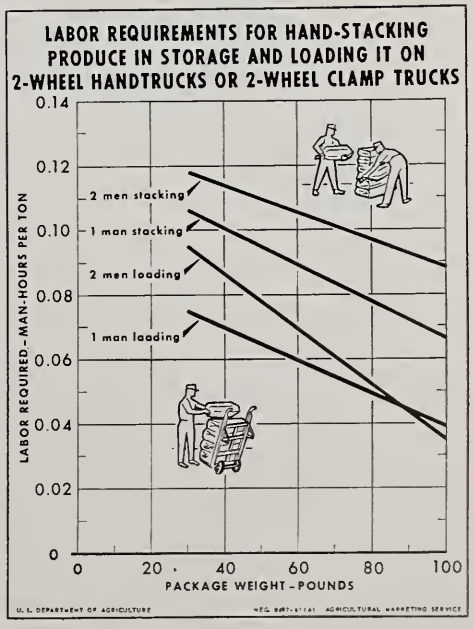
The checker's importance in connection with productivity often is not recognized, but there is a noticeable difference in the performance of a crew when a well-trained checker makes quick, accurate, and clear job assignments, and when a poorly-trained or disinterested checker makes these assignments.

Another key man in the warehouse is the one assigned responsibilities for all its operations. This is the man with the firing-line responsibility for labor productivity and cost. He needs to know good handling methods, how to schedule work to avoid overtime, and to resist the widely prevalent temptation of hiring more men than the workload actually requires.

All too frequently, wholesalers are tempted to assign clerical work to this important supervisor. Too many times a warehouse superintendent is required to shuffle papers to avoid a small additional expense. While the supervisor is concerned with clerical work, productivity may suffer—labor costs may rise—product quality may suffer—and, quite understandably, inefficient practices may become routine.

(The author is a staff member, Transportation and Facilities Research Division, AMS.)





AMS Focuses On Modernizing Its Leased Wires

Factors at play in the farm-to-market movement of farm products are constantly changing. Marketing sites, for example, change frequently. Producers and processors more and more are dealing with each other directly, bypassing central or terminal markets. Population shifts cause changes in the major food consuming and distributing centers. Frequently changing also are the number and size of sellers and buyers.

To keep abreast of such changes, AMS market newsmen of the U.S. Department of Agriculture must make corresponding changes in their methods of amassing and disseminating information—information which to a large extent means the difference between chaotic marketing and orderly marketing. Here is a report which details one such effort to keep abreast.

THE tradition established by the Federal-State Market News Service throughout its nearly 50 years of existence that the "market news always gets through" is taking on new significance as USDA's Agricultural Marketing Service's leased wire modernization program moves ahead.

The 19,000-mile leased wire system—a "two-way street" for carrying market information—comprises a nationwide network of nine circuits. These connect 136 field market news offices, which use teletype machines for transmitting market information. The machines transmit messages at the rate of 75 to 100 words a minute, compared to an average of 25 words a minute in the days of the telegrapher, when messages were sent by Morse code.

The leased wire system now transmits more actual words each week than the number of words contained in the Bible—some 1,017,000, as contrasted to the Bible's 850,000!

The program to modernize the leased wire system is designed with the principle that today's market information should flow constantly and within minutes of the time each market news report is available.

Highly prized by those who deal in agricultural commodities, the Federal and Federal-State market news reports reach the public through every available means of communication—mail, press, radio, television, telephone, telegraph, bulletin boards, and trade and farm publications.

Some modernization of the leased wire system has already been accomplished, with more planned for the near future. Where it has been practical and economical to do so, circuits have been modernized by realigning them on a commodity basis.

This has been accomplished recently in some areas of the country by tying those offices with the same commodity interests, such as dairy, poultry, or grain, to the same circuit. This procedure is contributing to the expansion and efficiency of the leased wire system by permitting more reports to be moved, with a minimum of time required on any one circuit.

In the West, for instance, two circuits which formerly carried market information on *several* commodities were replaced by two new circuits which connect market news offices with the *same* commodity interest. These new circuits, activated last fall, are known as the "West Livestock," which carries primarily livestock market news; and the "West General," which carries fruit, vegetable, dairy, poultry, and some grain information.

The two newest circuits activated under the modernization program went into operation in January. These are known as the "Central Fruit and Vegetable" and the "Central General," both of which service market news offices in the entire central and northeastern parts of the United States.

The "Central F&V" wire carries fruit and vegetable information, while the "Central General" circuit carries dairy, poultry, and grain market news. These newest circuits replace the former "Central" and "Eastern" circuits, and are designed—as are the new Western circuits—so that offices with the same common commodity interests are connected to the same line.

The five other present circuits, in addition to the four that have been realigned, are the "East Livestock," which carries primarily livestock information; the "Southwest Livestock," which carries livestock market news; the "Rice," which carries rice, dairy, poultry, fruit and vegetable market news in the South Central area; the "South," a multi-purpose circuit, carrying market news on several commodities, including livestock, dairy, poultry, grain, cotton, fruits, and vegetables; and the "Gulf," which is also a multi-purpose circuit.

The plan of redesign calls for the "South" and "Gulf" circuits to be replaced in the future by a "South General" circuit, to carry dairy, poultry, grain, and livestock information; and a "South F&V" circuit, to carry fruit and vegetable market news.

The plan for these two proposed circuits, as has already been accomplished in the redesign of the other four circuits, is intended to create greater efficiency by reducing the waste in effort and paper at those offices receiving mar-

(continued on page 16)

Teletype operators perform duties in AMS leased wire room, located in the South Building of the U.S. Department of Agriculture. This is one of the Nation's three leased wire relay stations. In the photo below, the master sending machine on the right can transmit 12 different messages at once. Teletype operators behind the master machine "prepunch" tapes to be sent on leased wire circuits. In the right photo below, Don N. Wilson, who heads the AMS Leased Wire Group, and his assistant, John L. Bellmund, study present leased wire circuit. Wilson points to pin on map representing the Kansas City office, one of the three leased wire relay stations.

Poultry Plants Can

New

POULTRY plants with short-haul deliveries can save from $2,000 to nearly $150,000 a year by replacing at least part of their conventional crates with new, re-usable wire shipping containers designed for iced ready-to-cook poultry. And the more the plants can hold down their operating costs, the more likely is the prospect of consumers continuing to have poultry available at the reasonable prices which have made it one of the consumer's biggest food bargains.

The new containers were developed by marketing researchers in USDA's Agricultural Marketing Service to meet the need for less expensive containers for poultry shipped short distances.

A small plant processing 500 birds a day would be able to save $2,000 a year if it used the baskets for its entire production. A plant processing 30,000 birds a day, with 30 percent of its customers within 125 miles of the plant, might save $35,000 if it used the baskets for short hauls. And a large plant with a daily output of 125,000 chickens could save, under the same conditions, almost $150,000 a year.

Most plants ship all their birds in heavy-duty crates designed for long-distance trips of 2,000 miles or more, although often as much as 40 percent of their business is within a radius of 200 miles.

If the new wire baskets are used to make deliveries to these closer customers, it will cost the plant only 64 cents a trip for each hundred pounds of poultry. This cost includes containers, direct labor, and packing materials. But it would cost the plant $1.02 for these same items if the shipments were made with the conventional crates.

Unlike the conventional crates, the baskets can be used over and over again for shipment of poultry. They have a useful life of at least 35 round trips,

Save $150,000 a Year with . . .

Shipping Containers

By Philip W. Hale and Peter G. Chapogas

according to AMS tests made under commercial conditions in California. Marketing researchers expect future tests to show that a useful life of 50 or more trips can be expected for the baskets.

The researchers found that baskets used in commercial trials made two round trips a week, or one every 3 working days, in a plant processing 500 birds a day for local consumption. This plant would need 60 baskets. Another plant processing 30,000 birds a day used the baskets on a 4-day round trip cycle. This plant would need about 1,500 baskets to supply 9,000 birds to customers within a 125-mile radius.

Although it takes additional labor and careful handling to return the baskets to the plant for washing, the extra cost is far outweighed by savings gained from re-using them. Little additional space is required for storage, since the empty baskets can be nested 20 high, under an 8-foot ceiling. When full, the baskets are usually stacked 5 high.

Chickens shipped in the baskets were well protected. In repeated tests, chickens in the new baskets arrived at their destination in good condition even when shipped as far as 450 miles, which is farther than chickens would ordinarily be shipped in the baskets. At the end of these test trips, meat temperatures were found to range between 33° and 36° F.—well within the safe limits for good quality.

Polyethylene, a plastic film, was used as a liner for the wire baskets to protect the ice-packed birds from dust and other foreign matter, including the drainage from baskets stacked overhead.

Poultry in conventional crates was not as well protected because dripping water would sometimes seep through the paper liners used in the crates. The poly-liners were also thick enough to withstand rough handling. When the baskets were deliberately tipped over, the plastic did not break when supporting the weight of the contents.

The baskets, flared at the top, are constructed of heavy wire, with dimensions of 23¾ inches by 18¾ inches at the top, and a height of 11½ inches. One wire basket can hold 60 to 70 pounds of poultry, or 20 to 30 chickens, plus 25 to 30 pounds of crushed ice. When empty, the baskets weigh 12 pounds. Because of this uniform empty, or tare, weight, there is no need to assemble and weigh the containers before filling them, as is often done with the conventional crates of varying weights. In an effort to reduce the weight and lower the costs even more, one manufacturer is developing a returnable plastic container.

Trade reaction to the wire baskets was favorable during the AMS tests. Several receivers said that the poly-liners made the baskets more sanitary than the crates. Butchers also commented that chickens were easier to unpack when shipped in baskets, and the majority of the butchers said they had no space problems in storing empty baskets.

Although the tests were limited to shipments of chickens in California, marketing researchers believe the new baskets can be used with equal advantage by plants anywhere in the country for short-haul deliveries of poultry.

More complete details on the new baskets are given in Marketing Research Report No. 584 titled, "New Shipping Containers for Short Hauls of Icepacked Poultry." Single free copies are available from the Office of Information, USDA, Washington 25, D. C.

(*The authors are marketing researchers in AMS' Transportation and Facilities Research Division, and are stationed at Fresno, California.*)

The Idaho-Eastern Oregon Onion Order

THE most important step in setting up a marketing order is for the industry to reach a general agreement on what it wants. Sometimes this takes a while. As a case in point, it took the onion growers and shippers of the Snake River Valley in Idaho and Eastern Oregon almost three years—but in the end they got a Federal marketing order they had drafted themselves, tailored to their own needs and conditions, and which they feel has served them well since it went into effect in 1957.

These onion growers' first discussions of a marketing order began in the late '30's, when an industry group proposed a Federal marketing order for onions in the area. This didn't receive the required two-thirds majority in a grower referendum in 1939, and the idea of a marketing order wasn't seriously considered again until 1954.

In 1953, however, the industry had too many onions. And the price problems were compounded by uninspected shipments, variations in the size of "jumbos," and the packing of offgrade and undersized onions. At any rate, after shipping cheap onions all winter, about 20 percent of the year's crop was still left over in the spring.

The following year, neck rot was a serious problem. It occurred as mold in the onion neck under two or three outside layers of skin, so that sorting crews had an almost impossible job getting it out. The inspectors caught it by cutting into the necks of the onions, but not all the shipments were inspected. Onions went to market with the invisible decay, and then rotted in the stores. Onion buyers backed away, and prices again hit the skids.

After those two bad years, the onion growers began to think earnestly about an industry-wide program through which they could meet at least some of their marketing problems.

The Malheur County (Oregon) Onion Growers Association was formed in 1954, and the Southwestern Idaho Onion Growers Association came into existence the following year—the first real grower organizations in the industry.

Earl Winegar, a Malheur County, Oregon, onion grower who has served as chairman of the marketing order administrative committee since 1957, stressed the important role these organizations played. "Before a group of growers can do anything for their industry, they have to agree on what to do. They can't agree—or even disagree—if each one goes his own way without knowing what his neighbors think. We formed our onion growers association in 1954. I don't believe we could have done anything as an industry without this kind of an organization."

The onion shippers worked closely with the growers through their Shippers Association while the marketing order was being developed and participated as members of the industry committees that were selected to analyze their marketing problems.

A marketing order didn't seem like the best solution at first.

Their first idea was to voluntarily withhold some of their onions when they had too many. On the quality side, they wanted identical grading and inspection laws in both States, to help maintain their reputation for a quality pack.

Neither of these ideas worked out, though, and they turned back to the marketing order approach.

Since the industry had turned down the 1939 program, the growers had gained some first-hand experience with a potato marketing order which had improved the quality of potato shipments from their area.

The growers and shippers conferred with representatives of the Fruit and Vegetable Division of USDA's Agricultural Marketing Service about a program that would provide for volume and quality control.

They finally decided they didn't have enough of the fall-winter onion supply in their hands to justify volume-control provisions in their marketing order. Even though they had a fairly high proportion of the Sweet Spanish type, there were too many onions of other varieties that could be substituted for Sweet Spanish.

The industry also realized that a volume-control provision was the most difficult and expensive to operate.

They wrote in several provisions authorizing regulation of grades and sizes though—all designed to help them sell onions. The size restrictions can keep undersized onions—which replace larger onions in the market and in some years give the growers little profit—off the market. It also guarantees that Jumbo onions will actually be three inches in diameter or larger, as buyers expect. This encourages repeat sales.

The grade restrictions may prohibit the shipment of onions lower than U.S. No. 2, for example, or in a year when the U. S. No. 2 grades are in such excess supply that they are returning growers little if anything, the restrictions can be set to prohibit the shipment of all or part of the U. S. No. 2 grade.

The industry also can fit the grade and size regulations to different varieties, and tailor them to large or small packages. They can even specify the size and weight of the packages onions can be packed in.

Altogether it was nearly three years after the industry revived serious talk about the marketing order that it actually became effective. Most of this time was spent in getting agreement within the industry on the type of program they needed, what they wanted it to do, and what it would be practical to operate.

The onion growers and shippers of the Snake River Valley, however, apparently believe that it was time well spent. The shippers have given strong support to the program over the years. In the referendum, the growers approved it by a whopping 96 percent majority, and since 1957 they've used it every season.

(Single copies of a 16-page booklet "Marketing Agreements and Orders for Fruits and Vegetables," AMS-230, may be obtained from the Editor.)

Chicken Gets An "A" On School Lunch Report Card

WHEN chicken goes to school it rates an "A" not only from the children who eat it and the school lunch managers who serve it but also from the local suppliers who find themselves with an expanded market for it.

The first purchase of chicken for the school lunch program was an experimental program in which over 7 million pounds were purchased by the U.S. Department of Agriculture in March 1961.

Purchases of this nature became possible a few years earlier when Congress began granting more money to the program for buying a greater variety of foods for schools in the National School Lunch Program.

According to Herbert D. Rorex, Chief of the Agricultural Marketing Service's School Lunch Branch, the first purchase was made to increase the variety of protein-rich foods in school lunches and to increase the national and local market for poultry.

School lunch home economists and poultry marketing specialists worked with the poultry industry to solve the problems of sectioning the chickens to provide more acceptable serving portions, and of packaging the chicken to provide easier ways to estimate quantity purchases for school lunch programs.

They selected broiler-fryers between 2¼ to 2¾ pounds, cut into 10 proportional pieces so that the children would all get equal servings of meat. Necks and giblets were omitted, and the chickens were packed 12 birds to a box.

After receiving favorable reports from local school lunch managers on the first purchase, the USDA bought 37 million pounds of broiler-fryers in the latter part of 1961. This year the USDA bought 60 million pounds.

Impressive as these Federal purchases sound, though, they were only enough to supply 6 servings of chicken for the 14.2 million children participating in 1961. This year with about 15 million children participating in the program, the USDA's purchases will be sufficient for only about 8 lunches.

However, a small purchase by the USDA can actually stimulate greater local purchases of chicken.

School lunch managers knew that chicken was a popular dish with children, and when they found it could be efficiently served in schools, they began to contact local suppliers.

To bring more chicken to the school lunch program and to help the local industry, the USDA and large chicken-producing States such as Arkansas and Georgia have sponsored State Salutes to the poultry industry in cooperation with local school lunch officials and the news media.

Schools in these States set aside a special day for the serving of chicken and contacted local suppliers to provide the chicken. Elementary and secondary school children competed in poster contests and school lunch managers outdid themselves in creating original chicken recipes.

The Secretary of the Georgia Processors Association reported that after the salute distributors increased their sale of poultry to the schools. He also reported that several principals who had never ordered chicken for lunches contacted these distributors and placed orders.

The USDA is now completing a study to determine how much more chicken has been sold by local suppliers stimulated by the purchase program. This is part of a broad study, underway this year, on the market for food in the school lunch program.

The success of chicken in the school lunch program is an example of how the USDA works with State and local suppliers to expand the market for food through normal channels of trade.

During this school year, a new high of 15 million American children will eat nearly 2.5 billion well-balanced lunches lunches in over 65,000 schools as the National School Lunch Program continues to expand in its 16th year of existence.

The Program is now available to public and nonprofit private schools in all Territories and possessions of the United States as well as the 50 States and District of Columbia.

In Boston

A Showplace For The Florist Industry

ONE of the most modern wholesale florist centers in the country may be built by flower growers and wholesalers in Boston in the near future.

Plans for its design were developed by marketing researchers in the United States Department of Agriculture's Agricultural Marketing Service at the request of the board of directors of the Boston Flower Exchange, Inc. Flowers moving through the new facilities are expected to reach consumers in better condition.

The center is designed to benefit 250 local flower growers who conduct a large part of their business in the Exchange building, which they own and operate. The center would also accomodate 15 independent firms handling floral products and florists' supplies in buildings surrounding the present Exchange building.

Better service would be provided for 300 local florists, and salesmen and dealers along the entire Eastern Seaboard and as far west as the Mississippi. Improved facilities may attract more business to the market, which is already one of the largest in the Nation.

The section of Boston in which the flower market presently is located is being considered for urban rehabilitation. Redevelopment of the area would force the market to relocate.

The present market, which handles about $8 million worth of florists' products and supplies, is bursting at the seams in converted row houses and a former exhibition hall. During the average day, the 300 or more growers, buyers, and salesmen who deal at the market must fight traffic snarls and wend their way through sidewalk displays and other merchandise moving in and out of the cramped, unsightly buildings.

Conditions in peak preholiday periods are even more hectic, when 800 buyers and growers jam into the market.

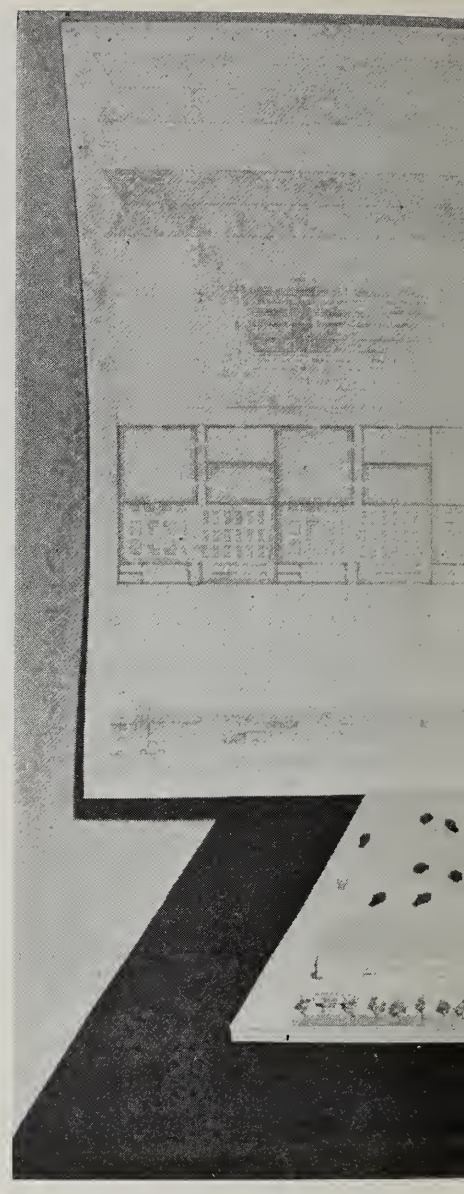
The AMS plans, designed for a 15-acre site, provide for easier access to the market, more unloading and loading space, and parking for 330 cars and trucks. Buildings would provide more storage, sales, and display space. The use of spacious facilities and good layouts would minimize handling of bulky potted plants, flowers, and other florists' supplies, and further reduce the risk of damage to merchandise.

The new Exchange building would contain 22 booths along the walls and 336 stalls in the front part of the building. An additional 4,140 square feet in a rear section of the building would be available for display and sale of potted plants.

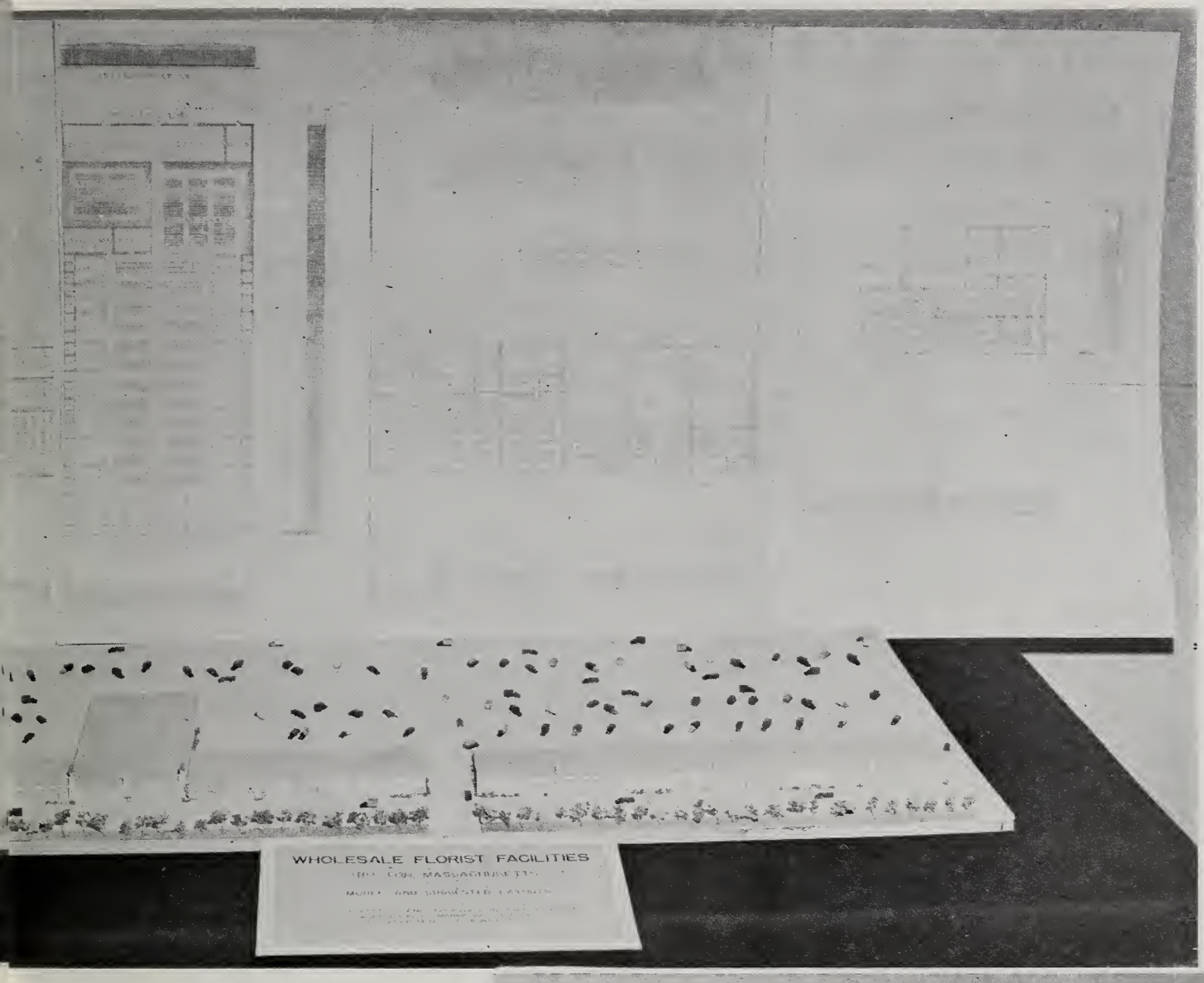
Ample shipping, receiving, storage, and refrigeration space would be provided in other parts of the building. If more space were needed in peak preholiday periods, additional stalls could be set up in part of the parking area.

Three of the 15 firms in the present market are small enough to occupy space in the new Exchange building. Plans provide for the remaining 12 firms to occupy a row of stores next to the new Exchange. The Exchange and these stores would comprise a complete wholesale florist center that would be a showplace for the florist industry. The AMS plans to make it possible for the center to be built in stages. However, all buildings could be constructed at the same time.

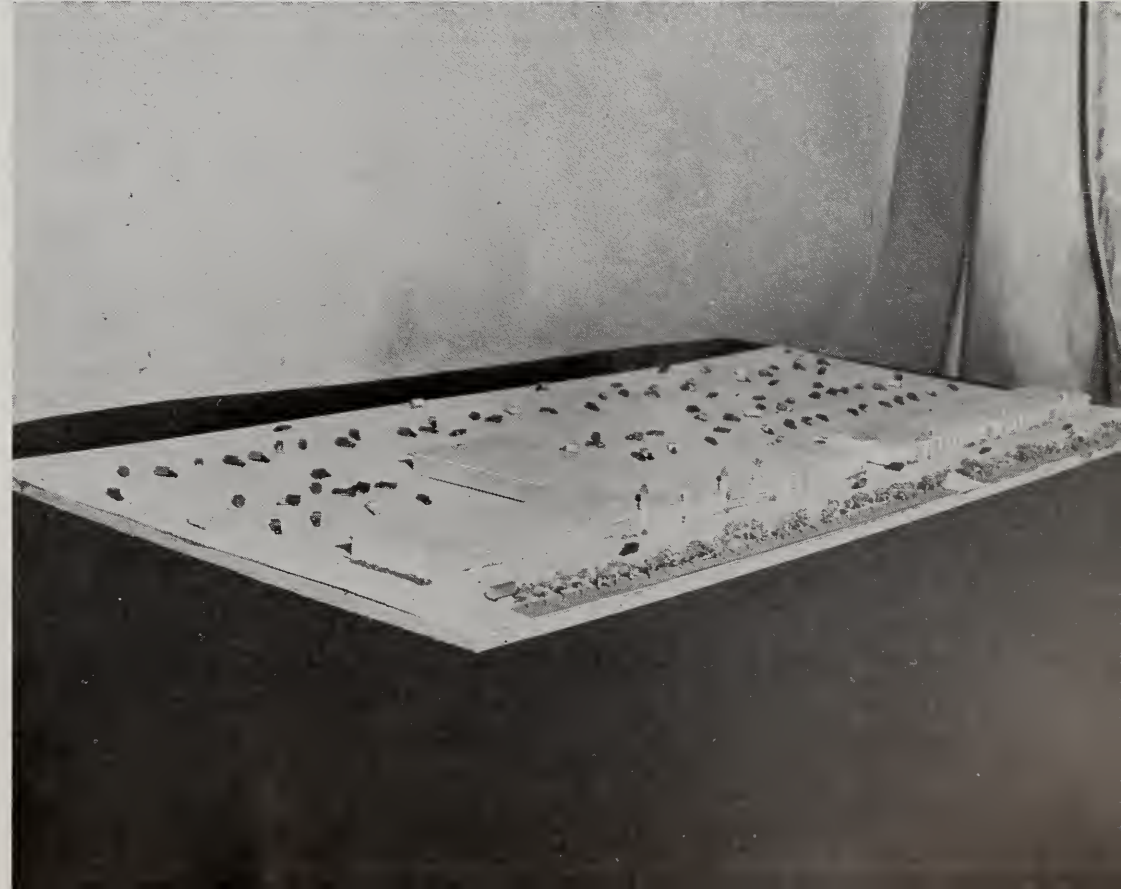
Marketing researchers indicated that rental charges of $1.40 per square foot of space occupied by growers and about



Above, the scale model of the proposed new Wholesale Flower Center for Boston, Massachusetts. It was designed by marketing researchers in USDA's Agricultural Marketing Service in January 1963. At right is the floor plan.



Space for 250 local flower growers is provided in the large building extending back into the parking area, which is large enough to accomodate 330 cars and trucks. The other buildings have space for 12 independent firms handling floral products and florists' supplies.



$1.57 for space occupied by firms handling other floral products and supplies could cover operating costs, taxes, insurance and debt service for the new facilities, according to estimates made at the time of the AMS study.

Detailed figures for financing and operating new facilities are given, together with proposed layouts, in Marketing Research Report No. 570, "Wholesale Florist Facilities for Boston." Single free copies may be obtained from the Office of Information, USDA, Washington 25, D. C.

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Keeping PACA Up With The Times

THE best pair of overalls in the mail-order catalog cost $1.49. Tractors and farm implements were still wearing steel tires, and West Coast produce men were "amazed" by Easterners' use of trucks to haul fruits and vegetables to markets as much as 200 miles away.

The year was 1930—the same year that the Perishable Agricultural Commodities Act was passed to help the fruit and vegetable industry establish a code of fair trading, and set up machinery for settling disputes.

At that time the industry was just coming to grips with the problems of long-distance trading in highly perishable products, as production became more concentrated in specialized areas far from the markets.

The fruit and vegetable industry has changed a good deal since 1930. Both the industry and the Agricultural Marketing Service have worked to keep PACA up to date with the changes in marketing practices.

This problem of keeping up with the times was principal reason for the amendments to the PAC Act which were sponsored by the industry and passed by Congress in October 1962.

The amendments did two things. They enabled AMS to streamline the proccdures for handling formal PACA complaints—thereby reducing administrative costs—and raised the ceiling on the license fees that support PACA administration.

PACA has always been supported entirely by the license fees paid by the produce industry. But the cost of keeping the PACA machinery running has gone up sharply in recent years. Prices of most products and services have inceased since 1930 (then you could get a new car for $495, a haircut for 25c). But PACA cases also have become more complex—and that means AMS' Fruit and Vegetable Division has to do more work on each case.

The result was that in recent years, the $25 license fee—the highest allowed under the law—wasn't covering costs. To keep PACA operating, Congress raised the ceiling on fees to $50.

The license fee has now been set by USDA at $36, effective January 1, 1963.

The amendments also cleared the way for a change in the PACA Rules of Practice that should mean more disputes being settled on an informal basis, without the expense of the formal complaint procedure. This should mean lower administrative costs and less expense to parties involved in formal complaints under the law.

The PAC Act was written with a built-in safeguard for the person involved in a formal complaint. Since 1930, either party in the complaint has been able to ask for an oral hearing if the amount in dispute was more than $500. At recent industry-PACA conferences, industry representatives decided that $500 no longer justified the time and expense of participating in a hearing. They recommended that the standard be raised to $1,500, and this was done in the recent amendments.

There has been no change in the provision that permits an oral hearing for lesser amounts where it can be shown that peculiar circumstances make the oral hearing necessary for a proper presentation of the case.

Both the license fee change and the change in the Rules of Practice on oral hearings have now gone into effect. There are some other amendments to the regulations also in progress, and these will soon be published.

They are all intended to enable PACA to render better service and keep pace with a rapidly-changing industry.

AMS Focuses On Modernizing (from page 9)

ket reports in which there is no interest.

The AMS Leased Wire System is unique compared with other communications systems. Very few full-time teletype operators are needed at field locations, the teletype duties being performed by clerks, typists, secretaries, and market news reporters.

Currently, the leased wire system has three relay stations—at Washington, D. C.; Kansas City, Mo.; and Atlanta, Ga. The new circuit design in the Western area made it possible to discontinue the former relay function of the San Francisco station and have the Kansas City station take over the control and responsibility for the technical operation of the new circuits.

The modernization plan calls for equipping the relay centers with facilities which will permit mass movement of market information between entire areas of the country.

Through such facilities, all circuits and all local delivery receiving machines located in the field market news offices could receive all reports simultaneously. This would relieve operating personnel of a great deal of pressure, making it possible for them to handle expanding work loads.

Facilities on the network are designed for possible future installment of "automatic selectivity," a system which permits reports to move quickly and accurately without the requirement of an operator-attendant.

Technical innovations such as these, along with others which have been proposed, brighten AMS' outlook for faster and wider dissemination of market news.